



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 20, 1994

Mr. Howard E. Turrel
United States Ferto Corporation
6955 South 1050 West
P.O. Box 111
Spanish Fork, Utah 84660

Re: Status of the Clawson #1-2-3 Mine, U.S. Ferto Corporation, S/039/006 (formerly DOE/039/005), Sanpete County, Utah.

Dear Mr. Turrel:

The Division has recently received notice of your patent approval for the Clawson #1 and #2 claims near Milborn, Sanpete County, Utah. Prior to receiving your patent, the mine was operated under an approved plan of operations and reclamation bond filed with the U. S. Forest Service (Manti-LaSal National Forest). As a result of the patent approval, the Forest Service no longer has jurisdiction over your mine. A recent review of our mine file records indicates that your mine had previously been granted a Declaration of Exemption (DOE) status from this office, based upon the small amount of annual surface disturbance proposed.

In 1987, Utah's legislature changed the Mined Land Reclamation Act and removed the DOE provision for mines that mined less than 500 tons or excavated less than two acres of land annually. The Act was revised to include a Small Mining Operations (SMO) category. This mining category allows up to 5 acres of unreclaimed surface disturbance at any time during the life of the operation. It also requires reclamation of all disturbed areas of the mine upon closure. The Division subsequently mailed letters to all DOE operators of record informing them of the change in the law. Those DOE operators that wished to continue mining operations were required to complete a new SMO Notice of Intention to replace their original DOE filing. Our records indicate that you may not have received a formal notification due to an error in the mailing.

It is our understanding that you have operated, and may still be actively mining, the Clawson claims. If so, it is necessary for you to file the appropriate Notice of Intention to Commence Mining Operations application form with this Division. More specifically, as defined in the Act (40-8-4) and Rules supporting the Act (R647-1-106):



Page 2

Mr. Howard Turrel

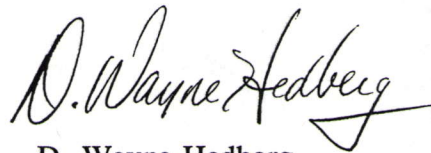
S/039/006

May 20, 1994

1. "Mining operations means those activities conducted on the surface of the land for the exploration for, development of, or extraction of a mineral deposit, including, but not limited to the surface mining and surface effects of underground and in situ mining, onsite transportation, concentrating, milling, evaporation, and other primary processing."
2. "Large mining operations means mining operations which have a disturbed area of more than five surface acres at any time."
3. "Small mining operations means mining operations which have a disturbed area of five or less surface acres at any time."

Enclosed please find a copy of the Rules and application forms for both a small operation (SMO) and large operation (LMO). The Division would like to schedule an on-site inspection/meeting with you to review the present extent of your mining operation, determine the appropriate mine status (SMO or LMO) and answer any permitting questions that you may have. Please contact me or Lynn Kunzler of my staff (538-5340) to schedule this meeting. Your response is requested by June 6, 1994, so that we can complete the inspection and permitting in a timely manner. Thank you for your cooperation and attention in helping us resolve this permitting requirement.

Sincerely



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures

cc: Thomas H. Shore, USFS, Manti-LaSal NF
Lowell Braxton
Lynn Kunzler

S039006